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ABSTRACT

The structure and functions of college development committees are discussed. The development committee of a board of trustees, also known as "the institutional advancement" committee, is responsible for ensuring the operation of the fund-raising program. Whether the development committee works through a foundation or directly for the college or university, its role has four major components: (1) ensuring that fund-raising efforts align clearly with the mission statement; (2) understanding the need for fund-raising and being able to educate and encourage other board members to participate in raising funds; (3) monitoring the operation of the development program; and (4) undertaking the process of gift-getting. The development committee should be composed of a chairperson and at least six to eight members. Typical committee agenda include: review of progress toward current year goals; review of long-term objectives; and review of one or two major topics. Additional committee responsibilities are: set institution policy and guidelines for fund raising; help evaluate the development staff and budget; assist in getting the most effective use of fund-raising counsel; help set goals for board member giving; and identify, evaluate and assign gift prospects. (SW)

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Development Committee

William Kinnison

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AGB Standing Committee Series

This publication is part of an AGB series devoted to strengthening the role of key standing committees of boards of trustees and regents. Several assumptions underpin the series:

☐ The real work of boards should be accomplished in committee. An effective committee system will enhance the productivity of full board meetings.

☐ The committee structure of any board should mirror the full range of its responsibilities as a legal, corporate entity. That is, the committee organization should cover the oversight roles trustees are expected to fulfill.

☐ Although there is no optimum committee system, certain principles and procedural matters should prevail: A clear and comprehensive statement of responsibility for each standing committee should appear in the board's bylaws or other operating policy. Each committee should be staffed by an appropriate administrative officer with a trustee or regent as chairperson. No trustee should serve on more than two active committees, preferably one—not including an executive committee membership. Crisp, well-conceived meeting agendas together with background information bearing on the agenda should be provided each member in advance of scheduled meetings. The committee's chairperson and staff should work together to ensure that adequate information is prepared to support the business at hand.

☐ Committees have the responsibility of *recommending* decisions and courses of action to the full board.

As committee members seek more and more useful information in their areas of responsibility, it is important

that a balance be struck between "too much" and "too little." To avoid even the appearance of becoming embroiled in administration, it is incumbent on the committee to be reasonable and judicious in requesting information that might be too detailed. Perhaps all such requests should require an affirmative response to the question: Does this request contribute to the committee's and the board's responsibilities for reviewing, setting, or approving institutional policies?

The AGB Standing Committee Series will eventually include a separate publication for each of the following committees: buildings and grounds, academic affairs, student affairs, budget and finance, development, nominating, and executive. Other committees will be added to the series in due course. The authors of these publications strive to stimulate committee members' resolve that their collective work will reflect favorably on the board's performance as a whole. They share the conviction that committees should, together with their chief executive, set aside time to reflect on their responsibilities, staff requirements, meeting agendas, and follow-up.

AGB and the authors welcome comments and suggestions for improving this publication, and the others in the series, in future editions.

This publication was made possible in part by a grant from the Frost Foundation.

Development Committee

William Kinnison

William A. Kinnison is president of Wittenberg University in Springfield, Ohio. He was educated as a historian and has extensive experience in public relations, as a development officer, and college president. He has written and spoken extensively on the need to relate fund raising and public relations goals to an institution's historic educational mission and to its current priorities.

Dr. Kinnison is a member of the AGB Advisory Council of Presidents and chairperson of the AGB Development Advisory Committee. He has an undergraduate degree from Wittenberg University and graduate degrees from the University of Wisconsin and Ohio State University.

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Committee Charge

The development committee of a board of trustees, also known as "the institutional advancement" committee at some colleges and universities, is responsible for ensuring the operation of a vigorous and appropriate fund-raising program for the institution.

The fund-raising structure differs between public and independent institutions. For example, tax-assisted institutions usually charter a separate foundation(s) to raise contributions for the school. Nevertheless, development committees share many responsibilities in both sectors. Whether the development committee works through a foundation or directly for the college or university, its role has four major components:

1. *Ensuring that fund-raising efforts align clearly with the mission statement developed by the governing board.*
2. *Understanding the need for fund raising and being able to educate and encourage other board members to participate in raising funds.*
3. *Monitoring the operation of the development program including budget, staff, and use of fund-raising counsel.*
4. *Undertaking the process of gift-getting (some committees help set goals appropriate for board members).*

Although much of the work of fund raising is conducted by the president and the development staff, board members have an active role that somewhat differs from strict oversight and policy making. An effective fund-raising program requires the

appropriate participation of every board member.

A trustee is a representative of the public who knows the institution intimately. His or her giving to the school and public testimony on its behalf help verify the institution's value and legitimacy. The development committee must see to it that the entire board recognizes and fulfills this obligation.

In some institutions, the board committee charged with fund raising has other assignments in the areas of public relations, government relations, and constituency relations. But the fund-raising function should never be subordinated to or obscured by these other roles. The integration and coordination of functions is of great importance.

Structure

The development committee should be composed of a chairperson and at least six to eight members—slightly larger than other standing committees because its role within the board and its external duties are broader than most trustee committees. Some institutions add nonboard members to the development committee to facilitate coordination, i.e., the chairperson of the annual giving fund, parents' fund, etc.

The committee chairperson should be a senior board member with an expressed interest in institutional development, capital and operational fund raising, and planned giving. It would be best if he or she is a major donor familiar with the institution's fund raising, public relations, and alumni programs. If possible, the chairperson also should be a member

of the board executive committee, although public colleges and universities sometimes prohibit the governing board chairperson from serving on their foundation for advancement.

The college or university president should be an *ex officio* member of the committee, and the chief development officer should serve as executive secretary.

Other development committee members should be selected for their interest in cultivating financial support for the institution and its educational mission. If possible, they should represent a cross section of affluent board members and the institution's constituents with attention given to the geographic distribution of committee members as well. People with backgrounds in business, industry, and finance are helpful always.

Provisions should enable members to serve for several terms to capitalize on their experience while bringing new members onto the committee to provide growth and fresh perspectives.

Agenda

The agenda for development committee meetings should be put together by the chief development officer in consultation with the chairperson and mailed to committee members well in advance. The chairperson ought to be familiar enough with the agenda to lead discussions without too much dependence on staff. A typical agenda addresses these concerns:

1. *Review of progress toward current year goals.* The committee should begin with a review of the current year's fund-raising goals and reports of progress or lack thereof in

meeting them. Clear, brief lists of donors and dollars by gift category should have been sent in advance to members for study. Programs and updates concerning annual support, capital giving, planned giving, and gifts-in-kind should be reviewed regularly.

2. *Review of long-term objectives.* The committee should analyze the current year's experience with long-term development objectives. It also should have available a review of institutional budget trends to ascertain whether long-term objectives need revision.
3. *Review of one or two major topics.* Substantial time should be set aside at each meeting for important topics such as: Any major fund-raising problems facing the institution; consideration of a new capital campaign; concerns about the effectiveness of staff or the current program; or an analysis of the development budget's cost effectiveness.

   Another productive exercise could be a review of a major issue or topic such as the institution's mission, development program, and needs. The mission statement and long-range plan could be reviewed. Administrators, deans, and program directors could be invited to give presentations. Development personnel could review their specific responsibilities. This informative part of the agenda can be very helpful in improving the group's understanding of its role.

   A third use of this part of the agenda is that of prospect research and reports on the fund-raising activities of board members, the setting of the board's annual giving goal, and similar matters.

4. *Setting future agendas.* If the chief development officer and committee chairperson are charged with setting the group's agenda, every committee meeting should include a discussion of items for future meetings. Before that discussion, the staff should review its future plans and activities.

Responsibilities

The current crisis in higher education, rooted in the declining number of high school graduates and the need to increase financial resources, places serious responsibilities on the board development committee. General responsibilities break down into eight major tasks:

Task #1: Develop an understanding of the role fund raising plays in the life of the institution

Committee members must have a solid grounding in fund-raising activities built upon a working knowledge of their area(s) of responsibility. This is more than memorizing some budget figures: It means understanding how gifts are used by the institution, the part they play in the budget and academic program, the costs of acquiring gifts, the types of giving, and the importance of the board in gift-getting.

The committee also needs a grasp of the fund-raising climate: Does the institution have a track record to build on or must it revise its approach? Is there evidence of institutional planning, effective resource management, and appropriate cost reduction? How has the institution used previous gifts, and what are its plans for new gift dollars?

Task #2: Educate and encourage board members to participate in fund raising

The development committee must educate other board members about the institution's need for gifts and the roles of individual trustees in acquiring gifts. Although this task begins in the trustee orientation program, it takes an ongoing effort to help board members learn the process of soliciting gifts and then encouraging them and making them comfortable in that role.

Specific techniques can develop fund-raising skills. Role-playing has been used effectively; with this approach, a board member plays the role of a prospective donor while another takes the part of the person asking for the gift. The first round is performed by experienced fund raisers, the second by beginners. After this kind of practice, fledgling fund raisers accompany more experienced trustees on real calls.

Committee camaraderie will make each committee meeting a refresher course. The chairperson should schedule analytical reports on calls by trustees and suitably celebrate successes.

Task #3: Insist that the institution have a clear statement of mission and a current statement of priorities

It is not the development committee's function to define mission and set priorities. However, it is the committee's responsibility to raise funds to fulfill (not interfere with) the institutional mission and to meet the most pressing needs *first*. Raising too many dollars for wrong or peripheral purposes is not helpful really and debilitates the fund-raising program in the long run.

The development committee should insist upon receiving a statement of mission and a list of priorities from the full board. Such a document, written as briefly as possible while permitting flexibility and initiative, will go a long way toward coordinating all fund-raising activities. A mission statement and priorities list written with the help of faculty, staff, and constituents—including major benefactors—will build consensus and mobilize support.

The lack of a clear mission statement and priorities list, however, does not absolve a development committee of its responsibility to garner financial support for the institution. The committee should draft its own document for board approval as a last resort rather than raise funds without guidance or direction.

Task #4: Set institutional policy and guidelines for fund raising

Armed with a mission statement and institutional priorities, the development committee should determine appropriate policies and define the relative emphases to be given the various types of fund raising: the annual fund (including alumni, parents, and friends); capital fund raising; planned giving (including threshold dollar amounts for each approved plan); solicitations of corporate donors; proposals to foundations; public relations activities; and major gift solicitations.

Other policies need to be determined: Who is authorized to raise funds for campus needs using the institution's name? Who is authorized to approve proposals requiring matching institutional funds or contributions of personnel or overhead? What is the relative emphasis to be

given current compared to planned gifts? Details might come from the staff, but the development committee must approve such policies and procedures and ensure that they are understood by everyone who solicits gifts for the college.

A policy statement does not, of course, alter the fundamental principle of fund raising—that the donor can do what he or she wants with the intended gift. It does suggest what kinds of gifts and what kinds of giving might be most helpful to the institution at a particular time—of great value to the solicitor in conversations with a potential donor. It indicates where limited time and budget resources should be allocated and minimizes "turfmanship" among administrators responsible for getting different kinds of gifts.

Task #5: Help evaluate the development staff and budget

The board's role in evaluating staff generally should be confined to helping the president evaluate the chief development officer. Beyond that, the development committee should work with the president and head of development in assessing staff efforts and examining budget allocations in the various areas of fund raising: Are time and money going where the mission and fund-raising policies say they should be? What policy changes need to be made to reflect fund-raising realities?

Evaluating the development office budget is a complex task. The committee needs to review a program budget that allocates staff time and other resources to activities categorized by fund-raising objectives.

Basic policy questions to be

answered are: (1) Is the budget adequate to achieve the department's fund-raising goals? (2) Are staff time and program dollars allocated according to institutional and program priorities? (The chief development officer is largely responsible for making sure that trustees understand the budget in programmatic terms.)

Task #6: Assist in getting the most effective use of fund-raising counsel

The committee might seek outside fund-raising counsel for a variety of reasons: to gain a broader perspective on fund-raising possibilities; to acquire expertise in a particular area; to prepare for a capital funds campaign; to handle a temporarily larger workload; or to compensate for limited confidence in the fund-raising abilities of the president or chief development officer.

It is important that the committee, the president, and chief development officer understand the reasons for retaining outside help and the expected role counsel is to play. All should agree on specific objectives for the relationship.

Task #7: Help set goals for board member giving

The board should have its own annual giving goal. Especially in capital campaigns, the board's goal is the most important of all. No one else can be expected to support an institution unless the people closest to it do so. And that includes alumni, faculty, staff, the local community, a church body (if the school is church-related), and trustees.

However, trustee-giving goals cannot be set by the fund-raising committee

alone. The board affairs committee or the committee responsible for the board's functioning could be the most appropriate body for this task.

Fund raising is the responsibility of the total board, and the development committee's job is to mobilize the board in fulfilling that responsibility. An appropriate measure of committee effectiveness is the board's response to the institution's case for support. If the committee cannot convince the board to meet its own goal, it is unlikely that sufficient support will be attracted from outside.

Task #8: Identify, evaluate, and assign gift prospects

All the development committee's activities lead to this point—and this is where the fun begins.

Members of the committee should converse regularly with other board members and friends about people, corporations, and foundations that might share an interest and enthusiasm for the institution, its mission, and its priorities. Every board member has information about possible donors, and most will share it (in an appropriate and confidential manner) with a fellow trustee whom the board has charged with overseeing its fund-raising responsibilities.

Often such information is provided directly to the president or chief development officer, but trustees on the development committee should be the catalysts to see that it happens.

The committee has primary responsibility for identifying "large gift" prospects. Ninety percent of the money donated to higher education comes from 10 percent of the donors (in some cases, 95 percent of the money is contributed by five percent or

less of the donors). Potential contributors of this magnitude must be found, cultivated, and approached properly.

The board member providing the name(s) should be involved wherever appropriate in cultivating and soliciting prospects. The basic formula for the cultivation of donors is simple: *Identify* those persons or groups who might make a contribution; *stimulate* their interest in the institution and its mission; *involve* them in the institution's work; *persuade* them to *invest* their resources and time.

Conclusion

All these tasks assume a spirit of teamwork between the governing board and administration. The president and chief development officer and the development staff, on one hand, and the board chairperson and development committee, on the other, are two parts of a whole. They should work harmoniously to mobilize every resource to meet the institution's needs and achieve its mission in the general order of established priorities.

No one can stress the role of trustees in institutional advancement enough or the development committee's job in keeping the board aware of its fund-raising role.

One further word of caution: Trustees are supposed to deal with policy issues and leave implementation and administration to campus administrators. Drawing that line always is difficult—nowhere more so than in fund raising.

When the development committee asks policy questions—about the effectiveness of the fund-raising program, the adequacy of staff and

budget, and the efficacy of stated goals and education priorities—it is easy to infringe upon administration. This danger is greatest when the committee discusses major gift prospects and what interests might best motivate a donor. Exceptional sensitivity to the situation is required, especially as a board member likely will be involved directly in soliciting and acquiring major gifts. Nevertheless, this danger should not be allowed to deter the committee from performing its crucial role.

Resources

Handbook for Educational Fund Raising, edited by Francis C. Pray (San Francisco: Jossey-Bass, 1981). The most thorough and complete examination of the whole field of institutional advancement, written by 80 individual contributors.

Marketing for Nonprofit Organizations, by Phillip Kotler (Englewood Cliffs, N.J.: Prentice-Hall, 1974). This work views fund raising and other areas of institutional advancement from a marketing perspective. It is rich with case studies; a very helpful look at strategies and tactics.

Handbook of College and University Trusteeship, by Richard T. Ingram and Associates (San Francisco: Jossey-Bass, 1980). Chapter 14 by Michael Radock and Harvey K. Jacobson provides an excellent analysis of the role of trustees in securing gifts for their institutions. The education of trustees should begin with this volume.

Building Bridges to the Public, New Directions for Higher Education No. 27, edited by Louis T. Benezet and Francis W. Magnusson (San Francisco: Jossey-Bass, 1979). Not written for professionals, this small volume provides a good overview of why education needs public support and how to get it. Readable and insightful.

Fund Raising, The Guide to Raising Money from Private Sources, by Thomas E. Broce (Norman, Okla.: University of Oklahoma Press, 1979). Clear and specific instructions on designing and implementing a

successful fund-raising program. Detailed for a beginner but readable and insightful.

Boards of University-Related Foundations: Their Characteristics, Roles, and Relationships to Presidents and Governing Boards of Host Institutions, by Michael J. Worth (Ph.D. dissertation, College Park, Md.: University of Maryland). A study concerning foundations.

AGB Standing Committee Series

This is the fifth in a series of publications on key standing committees of the board of trustees. These concise, pocket-size publications are designed to provide important information on committee issues and operations for every member of the board. Other titles:

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